

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6930

BILL NUMBER: HB 1308

NOTE PREPARED: Jan 4, 2006

BILL AMENDED:

SUBJECT: Restraint on Trade of Contact Lenses.

FIRST AUTHOR: Rep. Crouch

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: ☒ **GENERAL**
☒ **DEDICATED**
☐ **FEDERAL**

IMPACT: State & Local

Summary of Legislation: The bill requires a contact lens manufacturer to certify annually that the brand of lenses produced by the manufacturer is available in a commercially reasonable and nondiscriminatory manner within all channels of distribution. It prohibits prescribing or selling a brand of contact lenses that is not certified. It also provides that a violation is a Class A misdemeanor. The bill requires the Attorney General to enforce the law.

Effective Date: July 1, 2006.

Explanation of State Expenditures: The bill could minimally increase administrative costs for the Indiana Optometry Board to publish a list of the brands of contacts that have been certified to the Attorney General and the Board as being available within all channels of distribution. The Board and Attorney General's Office could also have minimal increased administrative costs to receive the certification, and the Attorney General's Office could incur additional costs to adopt rules to enforce and for enforcing the chapter. The funds and resources required could be supplied through a variety of sources, including the following: (1) existing staff and resources not currently being used to capacity; (2) existing staff and resources currently being used in another program; (3) authorized, but vacant, staff positions, including those positions that would need to be reclassified; (4) funds that, otherwise, would be reverted; or (5) new appropriations. Ultimately, the source of funds and resources required to satisfy the requirements of this bill will depend upon legislative and administrative actions.

Explanation of State Revenues: There are no data available to indicate how many offenders may be convicted of unfair and deceptive business practices concerning the prescription or sale of contact lenses, a Class A

misdemeanor. If additional court cases occur and fines are collected, revenue to both the Common School Fund and the state General Fund would increase. The maximum fine for a Class A misdemeanor is \$5,000. Criminal fines are deposited in the Common School Fund.

If the case is filed in a circuit, superior, or county court, 70% of the \$120 court fee that is assessed and collected when a guilty verdict is entered would be deposited in the state General Fund. If the case is filed in a city or town court, 55% of the fee would be deposited in the state General Fund.

Explanation of Local Expenditures: A Class A misdemeanor is punishable by up to one year in jail. The average daily cost to incarcerate a prisoner in a county jail is approximately \$44.

Explanation of Local Revenues: If additional court actions occur and a guilty verdict is entered, local governments would receive revenue from the following sources: (1) The county general fund would receive 27% of the \$120 court fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund. (2) A \$3 fee would be assessed and, if collected, would be deposited into the county law enforcement continuing education fund. (3) A \$2 jury fee is assessed and, if collected, would be deposited into the county user fee fund to supplement the compensation of jury members.

State Agencies Affected: Indiana Optometry Board; Attorney General's Office.

Local Agencies Affected: Trial courts, local law enforcement agencies.

Information Sources:

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